

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Use of Spectrum Bands Above 24 GHz For Mobile Radio Services*, GN Docket No. 14-177

As part of our strategy to extend U.S. leadership in 5G, we intend to hold a single auction of the upper 37 GHz, 39 GHz, and 47 GHz spectrum bands in the second half of 2019. This auction will make available 3.4 gigahertz of millimeter-wave spectrum for the commercial marketplace, including 2.4 gigahertz of contiguous spectrum.

But not all of this spectrum is ready to be auctioned. In particular, there are too many incumbent interests in the 39 GHz band, and efforts to resolve these encumbrances voluntarily haven't solved the problem. This calls us to act.

And act we will. Specifically, we propose today to hold an incentive auction to resolve the encumbrances in the 39 GHz band. Incumbent 39 GHz licensees will be able to sell their old licenses and receive vouchers that they can use to purchase new licenses in the upper 37 GHz, 39 GHz, and 47 GHz band auction. This market mechanism will eliminate encumbrances while maximizing bidding options for incumbents and new entrants alike. Moreover, we propose to reconfigure the band plan for the upper 37 GHz and 39 GHz bands from 200 MHz blocks to 100 MHz blocks, which will make it easier for us to hold a simultaneous auction of upper 37 GHz, 39 GHz, and 47 GHz spectrum. This elegant solution may seem as novel as the bands to which it's applied, but it has a distinguished pedigree, dating back to the famous 1959 paper in which Ronald Coase proposed that the FCC allocate spectrum through competitive bidding.

Many thanks to the staff who have contributed to this much-needed item. From the Wireless Telecommunications Bureau: Simon Banyai, Steve Buenzow, Jonathan Campbell, Rita Cookmeyer, Eliot Maenner, Erik Salovaara, John Schauble, Catherine Schroeder, Blaise Scinto, Martha Stancill, Joel Taubenblatt, Jennifer Tomchin, and Margaret Wiener; from the Office of General Counsel: David Horowitz, Doug Klein, Bill Richardson, and Max Staloff; and from the Office of Strategic Planning & Policy Analysis: Evan Kwerel and Paul LaFontaine.